

Hearing Date: February 14, 2007
Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO
PROOF OF CLAIM NUMBER 8324 (ERICKA S. PARKER, CHAPTER 7 TRUSTEE)**

("STATEMENT OF DISPUTED ISSUES – ERICKA PARKER, CHAPTER 7 TRUSTEE")

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proof Of Claim Number 8324 (the "Proof Of Claim") filed by Ericka Parker ("Parker"), Chapter 7 Trustee for Flex-Tech Professional (n/k/a Toledo Professional Temps, Inc.) ("Flex-Tech") and respectfully represent as follows:

Background

1. Parker filed the Proof Of Claim on or about June 21, 2006. The Proof Of Claim asserts an unsecured nonpriority claim in an undetermined amount. Specifically, Parker asserts her claim stems from a confidential settlement agreement¹ (the "Settlement Agreement") between Delphi Automotive Systems LLC ("DAS LLC"), Flex-Tech, and Initial Transfer FT, Ltd. ("Initial Transfer").

2. In 1995, DAS LLC contracted with Flex-Tech to manage its purchasing function for indirect commodities (the "Commodity Management Agreement"). Some time thereafter, Flex-Tech failed to pay DAS LLC's suppliers and a number of lawsuits were initiated against Flex-Tech and DAS LLC. In August of 2000, DAS LLC initiated litigation in the United States District Court for the Northern District of Ohio and sought a declaratory judgment with respect to Commodity Management Agreement.

3. On or about February 19, 2003, Flex-Tech and DAS LLC entered into the Settlement Agreement to resolve the pending litigation. The Settlement Agreement divided supplier claims into two categories — those that filed lawsuits and those that had not filed

¹ A copy of the Settlement Agreement is not attached to the Debtors' Statement of Disputed Issues because the Settlement Agreement contains a confidentiality provision. A copy will be provided to Parker upon her request.

lawsuits. The Settlement Agreement provided that DAS LLC would resolve some supplier claims against Flex-Tech at DAS LLC's own expense. Additionally, the Settlement Agreement provided that DAS LLC would deposit a total of \$100,000 into an escrow account in the name of Initial Transfer (\$30,000 into Escrow A and \$70,000 into Escrow B). The Settlement Agreement called for the funds remaining in Escrow B as of a date certain to be split equally between DAS LLC and Initial Transfer.

4. In July 2003, Flex-Tech filed a petition for Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court of the Northern District of Ohio (the "Ohio Court"). On April 8, 2004, DAS LLC commenced an adversary proceeding in the Ohio Court (the "Adversary Proceeding") against Parker seeking a declaratory judgment as to the rights and duties of the parties under the Settlement Agreement. Initial Transfer assigned its rights under the Settlement Agreement to Parker.

5. In the Adversary Proceeding, DAS LLC asserted that it was excused from performing its remaining obligations under the Settlement Agreement due to certain material breaches by Flex-Tech thereunder. Specifically, DAS LLC argued that Flex-Tech had materially breached the Settlement Agreement by failing to resolve all supplier claims and by rejecting the Settlement Agreement.

6. The Ohio Court granted DAS LLC's motion for summary judgment filed in the Adversary Proceeding in part, holding that DAS LLC was excused from making payments under the Settlement Agreement to certain suppliers who had filed lawsuits against Flex-Tech and found that Flex-Tech was not entitled to funds paid by DAS LLC to Comptrol Incorporated, a supplier with a prepetition judgment against Flex-Tech. DAS LLC's motion for summary judgment as to its obligation to fund Escrow A and Escrow B was denied.

7. The Debtors objected to the Claim pursuant to the Debtors' (i) Third Omnibus Objection (Substantive) Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (a) Claims With Insufficient Documentation, (b) Claims Unsubstantiated By Debtors' Books And Records, And (c) Claims Subject To Modification And (ii) Motion To Estimate Contingent And Unliquidated Claims Pursuant To 11 U.S.C. § 502(c) (Docket No. 5452) (the "Third Omnibus Claims Objection"), which was filed on October 31, 2006.

8. Parker filed her Response of Ericka S. Parker, Chapter 7 Trustee to Debtors' Third Omnibus Objection (Substantive) to Claims and Request to be Excused from Attending First Hearing as to Same (Docket No. 5644) (the "Response") on November 21, 2006.

Disputed Issues

A. DAS LLC's Obligations To Parker Do Not Exceed \$65,000

9. The Memorandum And Order Regarding Motion For Summary Judgment entered on September 27, 2006 by the Ohio Court in the Adversary Proceeding clearly provides that DAS LLC's obligations under the Settlement Agreement will not exceed \$65,000.

10. Therefore, DAS LLC asserts that it owes Parker \$65,000 at most and disputes any additional amounts asserted by Parker.

B. Delphi Has No Obligations Under The Settlement Agreement.

11. The Claim is asserted by Parker against Delphi. The Debtors dispute that Delphi owes any obligation to Parker. As noted above, the basis for the Claim is a Settlement Agreement between Flex-Tech and DAS LLC. Delphi and DAS LLC are separate and distinct legal entities. Neither the Proof Of Claim nor the Response assert any basis upon which Delphi would be liable for DAS LLC's obligations, if any, under the Settlement Agreement. Similarly, the Settlement Agreement provides no basis for claims to be asserted against Delphi. The

Settlement Agreement clearly and unambiguously identifies DAS LLC as the party to the Settlement Agreement. See, e.g., Settlement Agreement at pp. 1 and 5. Delphi is not, and has never been, a party to the Settlement Agreement.

12. Furthermore, pursuant to the Order Under 11 U.S.C. §§ 107(b), 501, 502, And 1111(a) And Fed R. Bankr. P. 1009, 2002(a)(7), 3003(c)(3), And 5005(a) Establishing Bar Dates For Filing Proofs Of Claim And Approving Form And Manner Of Notice Thereof (Docket No. 3206) (the "Bar Date Order"), claimants, including Parker, were required to file proofs of claim against the appropriate Debtor entity. Specifically, paragraph 3(f) of the Bar Date Order provides:

Proofs of Claim must clearly indicate the name of the applicable Debtor against which the Claim is asserted and the applicable reorganization case number for such Debtor, and if a Claim is asserted against more than one of the Debtors, a separate Proof of Claim must be filed in each such Debtor's reorganization case.

13. Furthermore, the Notice Of Bar Date For Filing Proofs Of Claim (the "Bar Date Notice") which was approved by the Court pursuant to Bar Date Order also specifically stated that "each holder of a claim must identify on its proof of claim the specific Debtor against which its claim is asserted and the case number of that Debtor's reorganization case." See Bar Date Notice at p. 2. Exhibit A to the Bar Date Notice specifically identified DAS LLC as a Debtor and identified its case number. See Exhibit A to Bar Date Notice at p. 4.

14. Nonetheless, Parker filed her Proof Of Claim only against Delphi, and did not file any proofs of claim against DAS LLC. The July 31, 2006 bar date passed over four and one-half months ago. As the Proof Of Claim was asserted against Delphi and Delphi clearly has no obligations under the Settlement Agreement, including, but not limited to, the payment of any royalties owing thereunder, the Claim is invalid and should be disallowed in its entirety.

Reservation Of Rights

15. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claim and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claim.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) disallowing and expunging the Claim and granting the Debtors such other and further relief as is just.

Dated: New York, New York
December 18, 2006

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